

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	SCS CSHB 85(L&C)
Fiscal Note Number:	5
(S) Publish Date:	1/21/2022

Identifier: HB085CS(L&C)-DEC-SPAR-01-14-2022
Title: FINANCIAL INSTITUTIONS; LIABILITY
Sponsor: LEBON BY REQUEST
Requester: (S) Labor & Commerce Committee

Department: Department of Environmental Conservation
Appropriation: Spill Prevention and Response
Allocation: Spill Prevention and Response
OMB Component Number: 3094

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated for SLA 2022 form.

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Agency: Office of Management and Budget

Phone: (907)465-5009
Date: 01/14/2022
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION**Analysis**

The bill creates liability exemptions for lenders who foreclose on contaminated properties. Prior and future owners and other responsible parties would continue to remain jointly and severally liable for any response costs. In addition, in removing the liability for lenders, the bill removes a disincentive to foreclosure and may help to move the property in to new ownership where the new owner is solvent and more equipped to address existing contamination.

It is unclear how many current or future contaminated sites may have no other party able to cover the department's costs of overseeing or conducting response or remediation. As a result, the Department's expenditures and loss of recovery cannot be determined. It is believed that the potential cost of responding to any such sites in the future would be absorbed within the Department's current capacity.